

**PUBLIC MEETING
July 1, 2010
MINUTES**

Chairman Mike Murray called the meeting to order at 9 a.m. Commissioner Andy Hunthausen was present. Commissioner Derek Brown was absent on personal leave. Others attending all or a portion of the meeting included Eric Bryson, Kelly Blake, Katie Jerstad, K. Paul Stahl, Nancy Everson, Audra Zacherl, Greg McNally, Frank Rives, Eric Griffin, Mark Simonich, Lindsay Morgan, Karen Bryson, Jeff Sealey, Cheryl Green, Carole Byrnes, Dennis Unsworth, Tyler Emmert, and Rita Cortright, Recording Secretary.

Pledge of Allegiance. Everyone recited the Pledge.

Oath of Office – Justice of the Peace Karen Bryson. The Commission administered the oath of office to Karen Bryson as interim Justice of the Peace. JP Wally Jewell is retiring at the end of July.

Consent Action Items. (Eric Bryson)

- a. Disposal of Records from County Superintendent of Schools (Marsha Davis)
- b. Contract and Encroachment Agreement Between Lewis and Clark County and Montana Dept. of Fish, Wildlife & Parks for Maintenance of 3 Directional Signs for the Bull Pasture Fishing Access Site Located Approx. 1.5 miles South of the Wolf Creek Bridge, on Beartooth Road Easement Located Between Wolf Creek Bridge and Holter Dam. (Christal Ness)
- c. Contract and Encroachment Agreement Between Lewis and Clark County and Dickenson Enterprises for Installation of an Approved Connection to the Facilities of the Lincoln Sewer District Encroaching into the Right-of-Way Located East of and the Street Proper or Third Ave., for Real Property Located at 372 Third Ave., and Particularly Described as Lots 77 and 80 of the Lincoln Villa Estates. (Christal Ness)
- d. Contract and Encroachment Agreement Between Lewis and Clark County and Dennis and Linda Unsworth for Portions of 1011 Williams Street Property Encroaching into County Right-of-Way. (Christal Ness)
- e. Resolution 2010-230 Ordering a Refund of Taxes/Fees/Assessments Paid by Andy Skinner in the Amount of \$70.79. (Cheryl Green)

Eric Bryson reported on the consent action items and recommended approval.

No public comments were received.

Commissioner Hunthausen moved approval of the consent action items and authorized the Chair to sign. Commissioner Murray seconded the motion. The motion carried 2-0.

Request to Consider Accepting an Application for Modification of Conditions of Approval No. 1 of the Preliminary Approved Lakeside Village on Hauser Lot 2A Amended Subdivision. (Applicant: Conrad Hale) (Planner: Greg McNally). The Commission will consider whether or not to go forward with a modification request.

Greg McNally reviewed the criteria in order to warrant consideration of the modification request. A variance application would have to be submitted regarding the water body setbacks.

Tyler Emmert of Stahly Engineering was present and represented the applicant. He outlined the reasons that this modification should be allowed.

No public comments were received.

Commissioner Hunthausen moved to grant the request to consider the application for modification and hold a hearing at a future date. Commissioner Murray seconded the motion. The motion carried 2-0.

Resolution 2010- 227- A Resolution Directing the County Treasurer/Clerk & Recorder to Issue a Tax Deed for Certain Properties Located in Lewis and Clark County for which Real Property Taxes are Delinquent for Three or More Taxable Years and Quit Claim Deed. (Cheryl Green)

Cheryl Green reported that the Craig Cemetery property has delinquent taxes from 2005. The resolution authorized the county to take tax deed. The Quit Claim Deed quit claims the property to the Craig Cemetery Association.

No public comments were received.

Commissioner Hunthausen moved to approve the resolution and authorized the Chair to sign. Commissioner Murray seconded the motion. The motion carried 2-0.

Commissioner Hunthausen moved to approve the Quit Claim Deed and authorized the Chair to sign. Commissioner Murray seconded the motion. The motion carried 2-0.

Bid Award. New Weed Dept. Office Building, Lewis and Clark County, Montana. (Audra Zacherl) The project generally consists of a new in-place 700 sf. (min.) Office Building on a permanent foundation to be located at 3402 Cooney Drive on Lewis and Clark County Property. (Cont'd from 6/29/10)

Audra Zacherl reported that three bids were received for the project. After review of all bids by the selection committee, staff recommended awarding the contract to US Modular Group for \$99,779. Although this was not the low bid, after all factors were considered, this bid was deemed the most advantageous to Lewis and Clark County based on the following reason: For the difference in the bid amount from the low bid of \$9,910 the county gains an additional 1,400 feet of office space, including 7 additional

offices, one additional bathroom, and two conference rooms over and above the building specification in the low bid. Funding for the project was reviewed. Staff recommended that the commissioners award the contract to US Modular Group, Inc. for \$99,779 and authorized the Chair to sign all contract documents and approve additional budget authority of up to \$29,779, if needed.

No public comments were received.

Commissioner Hunthausen moved to award the bid contract according to the recommendation by staff, and authorize the Chair to sign all contracts documents and approved additional budget authority up to \$29,779. Commissioner Murray seconded the motion. The motion carried 2-0.

Request for Variances from Special Zoning District No. 40 (North Spokane Hills).
(Applicants: Steven and Colleen Farnsworth) (Planner: Lindsay A. Morgan) The Applicants are requesting two variances from Special Zoning District No. 40. The first variance request is to allow for the boundaries of the subject property to be adjusted back to their previous location, which would reduce the size of the lot from 9.11 acres to 5.79 acres. The minimum lot size for the District is 10 acres. The second variance request is to allow for the property to be sold. Lots within the district that are below 10 acres in size cannot be sold if adjacent properties are under the same ownership. According to the application, the adjacent property is under the same ownership.

At last night's Planning and Zoning Commission hearing, the Planning and Zoning Commission tabled their recommendation regarding the variance request until 5:30 p.m. on July 14. Staff asked that the commission schedule a date specific for the public hearing at some point after July 14.

Commissioner Hunthausen moved that the commission table this item and take action on July 20 at the regularly scheduled public meeting. Commissioner Murray seconded the motion. The motion carried 2-0.

Preliminary FY2011 Budget Presentation.

Nancy Everson gave a PowerPoint presentation on the preliminary budget for Fiscal Year 2011. This budget has been scheduled for a public hearing on July 13 and the final budget adoption will be scheduled after that public hearing.

This budget consists of three different levels: (1) a legal budget - you cannot exceed your budget expenditures in a fund overall without a budget amendment; (2) a management plan - line-item detail with summaries; and (3) department head authority to move budget authority within their individual budgets.

A summary of the very conservative budget was outlined. Total budgeted expenditures of \$70 million were an increase in expenditures of about \$2 million, or 3 percent, over the FY2010 budget. Revenue was almost \$66 million, an increase of about \$1.2 million.

The all purpose fund is the general operating fund of the county and has a total expense of \$9 million, a decrease of \$332,000 compared to the FY2010 budget, due in part to debt service payments dropping off. The county is paying off debt through InterCap loans.

Total revenues decreased by \$414,000; \$280,000 was due to a decrease in PILT revenue from the federal government, and part was due to interest earnings. In 2008 interest earnings into the general fund was at \$400,000. Revenue reserves have been budgeted for about \$614,000, or 3.1 percent tax revenue growth. This is 1.1 percent inflationary factor and one-half of a 3-year average CPI. There's not much new growth in the county.

The focus of this budget is the year-end operating and capital reserves. The commission made a concerted effort this year to increase reserves to weather the economic conditions and what happens with the state and federal budget problems. County-wide reserves are estimated at about \$19 million, or 26 percent of budgeted expenditures. The All Purpose Fund reserves are about 17 percent, up from 15 percent the prior year. Of these reserves, we have about \$5.5 million in capital reserves.

The budget consists of various fund types as dictated governmental accounting standards. Special revenue funds are restricted specific-use funding sources. Twenty-one million of the special revenue fund budget consists of 16 special tax levies.

The Health Department relies heavily on grants to provide health services to the community. The health center and Cooney Home bonds will be paid off in fiscal year 2018. The county has 71 Rural Improvement District Maintenance Districts and 22 rural improvement district debt funds.

Approximately \$2.8 million is scheduled to be spent from the Capital Improvement Fund to purchase new road graders for the road department, and the remodel for the new courtroom at the courthouse.

The county has budgeted \$5 million for the voter approved bond issue of \$10 million in November of '08. The Open Space Advisory Committee actively searches for projects. CTEP projects total \$317,000.

Priorities for Fiscal Year 2011 include a continued focus on recruiting and retaining quality employees, capital replacement and depreciation, and maintain operating and capital reserves at levels that allow for thorough discussion and planning. The commission did not give a cost of living adjustment to personnel this year; market-based adjustments were included in the personnel budget.

The commission has included in the preliminary budget a few new positions: an additional deputy county attorney, a detention officer, three patrol deputies in the Public Safety Fund, and a district court clerk in direct relation to the additional district court judge coming on in January. The patrol deputies are contingent upon grant funding.

This is a status quo budget that retains all the current services and programs. A public hearing on this budget will be held on July 13, 2010.

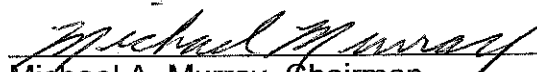
Commissioner Hunthausen noted that with the tough economy right now, the county has been able to provide the same level of service and keep county staff employed. The county has done a good job in maintaining the funds and budgets and have some reserves.

No public comments were received.


Public comments on any public matter within the jurisdiction of the Commission that is not on the agenda above. None.

There was no other business, the meeting adjourned at 9:43 a.m.


LEWIS AND CLARK COUNTY
BOARD OF COMMISSIONERS


Michael A. Murray, Chairman


Derek Brown


Andy Hunthausen

ATTEST:


Paulette DeHart, Clerk of the Board